



Katherine Arp
Regulatory Specialist
461 From Road, Suite 400
Paramus, NJ 07652
tel 201-784-7098
fax 201-750-5728
email Katherine.Arp@suez.com

Via DelaFile

May 20, 2019

Ms. Donna Nickerson, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

SUBJECT: SUEZ Water Delaware Inc. (SWDE)
Distribution System Improvement Charge (DSIC) Filing

Dear Secretary Nickerson:

Pursuant to 26 Del.C. § 304 (b)(5), SUEZ Water Delaware Inc. has filed an application via DelaFile for the adjustment of its Distribution System Improvement Charge to become effective on July 1, 2019.

I can be reached at (201) 784-7098 or via email at Katherine.Arp@suez.com if you have any questions pertaining to this filing.

Best regards,

A handwritten signature in black ink, appearing to read 'K. Arp', with a stylized flourish at the end.

Katherine Arp
Regulatory Specialist

Enclosures

cc: Division of Public Advocate
J. Hollenbach
L. Finnicum
G. Prettyman



STATE OF DELAWARE
THE PUBLIC SERVICE COMMISSION
CANNON BUILDING
861 SILVER LAKE BLVD., SUITE 100
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7529
TELECOPIER: (302) 739-4849

FILING COVER SHEET

1. NAME OF APPLICANT: SUEZ WATER DELAWARE INC.
2. TYPE OF FILING: RATE CHANGE ☒
FUEL ADJUSTMENT ☐
ADMINISTRATIVE ☐
CPCN ☐
NEW SERVICE OFFERING ☐
OTHER - DESCRIBE _____

IF A TELECOMMUNICATIONS FILING, WHAT TYPE OF SERVICE IS IMPACTED?

BASIC _____ COMPETITIVE _____ DISCRETIONARY _____

3. PROPOSED EFFECTIVE DATE: JULY 1, 2019
- IS EXPEDITED TREATMENT REQUESTED? YES ☐ NO ☐
4. SHORT SUMMARY OF FILING: Distribution System Improvement Charge (DSIC)
5. DOES THIS FILING RELATE TO OTHER DOCKETS: YES ☐ NO ☒
- IF YES, LIST DOCKET(S) NO(S): _____
6. IS PUBLIC NOTICE REQUIRED? YES ☐ NO ☒
IF YES, PLEASE ATTACH COPY OF PROPOSED PUBLIC NOTICE.
7. APPLICANT'S CONTACT PERSON: NAME: JOHN HOLLENBACH
TITLE: GENERAL MANAGER
PHONE: (717) 901-6321
FAX: (302) 633-5910
EMAIL: John.Hollenbach@suez-na.com
WEBSITE (IF APPLICABLE) WWW.MYSUEZWATER.COM
8. DID YOU PROVIDE A COMPLETE COPY OF THE FILING TO THE PUBLIC ADVOCATE?
YES ☒ NO ☐ IF YES, WHEN? May 20, 2019
9. FILING FEE ENCLOSED: AMOUNT: \$ 100.00

NOTE: House Bill 681, enacted into law 7/13/98, authorizes the Commission to recover the cost of time spent by in-house staff to process all filings initiated after the date of enactment. You may be required to reimburse the Commission for staff time.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF
SUEZ WATER DELAWARE INC.
CONCERNING THE SEMI ANNUAL
ADJUSTMENT TO THE DISTRIBUTUION
SYSTEM IMPROVEMENT CHARGE ("DSIC")
EFFECTIVE JANUARY 1, 2019 PURSUANT TO
DEL. C. § 314(b) (5)

SUEZ WATER DELAWARE INC. (hereinafter referred to as "SWDE") a duly organized and existing Public Water Utility Corporation, regulated by the Delaware Public Service Commission (hereinafter referred to as the "Commission"), hereby petitions the Commission pursuant to 26 Del. C. § 314 (b) (5), for permission to adjust its Distribution System Improvement Charge (hereinafter "DSIC") effective July 1, 2019.

1. On November 30, 2001, UWDE filed for permission to establish a DSIC rate for the automatic adjustment of its rates and charges and providing for recovery of associated costs in accordance with 26 Del. C. § 314. UWDE's application received Commission approval on December 11, 2001, by Order 5854, PSC Docket No. 01-481.
2. Thus, pursuant to 26 Del. C. § 314 (b)(5) SWDE hereby requests Commission permission to adjust its DSIC rate. The aforementioned section states that the DSIC rate shall be adjusted semiannually for eligible distribution system improvements placed in service during the six month period ending 2 months prior to the effective date of changes in the DSIC rate.

3. Attached hereto, supporting the development of the surcharge are Schedules 1, 1A, 1B, 2 and 2A in accordance with Commission Order No. 8138 approved April 17, 2012, and the regulations approved therein.
4. Attached hereto as Schedule 3 are revised tariff sheets to P.S.C. No. 6 – Water, issued May 16, 2019 to become effective July 1, 2019:
 - Table of Contents – Thirty Second Revised Sheet No. 1
 - Miscellaneous Charges – Distribution Improvement Charge for SUEZ Water Delaware Inc. – Twenty Fifth Revised Sheet No. 17
5. The SWDE customer rate adjustment reflected by this application increases the DSIC Rate from 4.02% to 4.90%. The adjusted rate of 4.90% is to be applied to bills rendered on or after July 1, 2019. This increase is less than a (5%) increase in current rates within any 12 month period and less than the overall cap of 7.5% to SWDE customers and, as such, satisfies the requirements of 26 Del. C. § 314 (b) (7).
6. Customers will be notified of this change with a statement that shall be printed on the first bill following the effective date of this change. The statement will indicate that the DSIC Rate has changed from 4.02% to 4.90% effective July 1, 2019.
7. SWDE requests a waiver from the currently established Minimum Filing Requirements. The form and content of this application are similar to those of the previous filing on November 15, 2018, which was agreed to by Commission Staff


and the Division of the Public Advocate in lieu of the pending establishment of specific filing requirements associated with the DSIC.

8. Concurrent with this filing, supporting work-papers are being filed with Commission Staff and the Division of the Public Advocate.
9. A copy of this filing has been forwarded to the Division of Public Advocate.

WHEREFORE, SWDE respectfully requests that the Commission approve the proposed Distribution System Improvement Charge and rate adjustment requested herein.

Respectfully submitted,
SUEZ WATER DELAWARE INC.

Date: 5/20/19

By: 
John Hollenbach
General Manager and Vice President

Schedule No. 1
DEVELOPMENT OF RATE AND SUPPORTING DATA
SUEZ Water Delaware

	Item	Docket No. 17-0370 11/1/16 -4/30/17	Docket No. 17-1158 5/1/17-10/31/17	Docket No. 18-1209 5/1/18 - 10/31/18	Docket No. XXXXX 11/1/18 - 4/30/19	Total
1	Net Utility Plant Additions	\$ 2,290,138	\$ 2,517,439	\$ 4,024,564	\$ 2,223,944	\$ 11,056,085
2	Net Accumulated Depreciation Reserve Change	\$ 224,065	\$ 423,314	\$ 118,613	\$ 218,653	\$ 984,645
3	Net Change in Rate Base (Line 1+ Line 2)	\$ 2,514,203	\$ 2,940,752	\$ 4,143,177	\$ 2,442,598	\$ 12,040,730
4	Pre-tax Rate of Return	11.25%	11.25%	9.68%	9.68%	9.68%
5	Semi-Annual Pre-Tax Rate of Return	5.63%	5.63%	4.84%	4.84%	4.84%
6	Semi-Annual Investment Cost Recovery	\$ 141,424	\$ 165,417	\$ 200,626	\$ 118,279	\$ 582,771
7	Semi-Annual Depreciation Expense	\$ 16,375	\$ 18,710	\$ 25,235	\$ 15,124	\$ 75,444
8	Total Semi-Annual DSIC Revenue Requirement (Line 6 + Line 7)	\$ 157,799	\$ 184,127	\$ 225,861	\$ 133,402	\$ 658,215
8A	Total Over/(Under) Collection from Previous DSIC Revenue Requirement			\$ 10,539	\$ 1,886	\$ 12,425
9	Total Semi-Annual DSIC Revenue Requirement	\$ 157,799	\$ 184,127	\$ 236,400	\$ 135,288	\$ 670,639
10	Semi-Annual Projected Water Service Revenues	\$ 14,691,439	\$ 14,702,407	\$ 13,063,408	\$ 13,695,904	\$ 13,695,904
11	Projected DSIC Rate Increase Percentage	1.07%	1.25%	1.81%	0.99%	4.90%

**- Schedule No. 1A -
CAPITAL STRUCTURE APPROVED IN MOST RECENT GENERAL/BASE RATE CASE**

SUEZ Water Delaware

Capital Structure in in PSC Docket 16-0163, March 1, 2017					
	Percentage	Cost	Weighted Cost	Revenue Multiplier	Pre-Tax
Cost of Debt	46.66%	5.19%	2.42%		2.42%
Cost of Equity	53.34%	9.75%	5.20%	1.39705	7.26%
	100.00%		7.62%		9.68%

**- Schedule No. 1B -
OVER/UNDERCOLLECTIONS FROM PREVIOUS DSIC FILINGS
SUEZ Water Delaware**

Docket No.	Over/(Under) Collection
17-1158	\$ 1,886
Total	\$ 1,886

- Schedule No. 2 -
PROJECTS PLACED INTO SERVICE AND/OR RETIRED
SUEZ Water Delaware

Utility Plant in Service 11/1/18 to 4/30/19				
Project Name	Description	Project No.	DSIC Amount (net of CIAC)	Retirement Costs
East Avon Drive	Replace main, valves, hydrants, services	C18D605_027_001	1,037	
North Avon Drive	Replace main, valves, hydrants, services	C18D606_027_001	(27,619)	
Glenrock Drive	Replace main, valves, hydrants, services	C18D613_027_001	47,058	
Bellevue Parkway	Replace main, valves, hydrants, services	C19D601_027_001	655,931	90,956
Compass Drive	Replace main, valves, hydrants, services	C19D602_027_001	535,410	25,439
Keats Drive	Replace main, valves, hydrants, services	C19D603_027_001	662,642	19,710
Replacement Fire Hydrants	Replace Hydrants	CYYD501_027_001	33,181	1,048
Repl Short Mains	Replace Mains, Valves	CYYD502_027_001	81,026	1,272
Replacement Valves- T&D	Replace Valves	CYYD503_027_001	43,505	573
Repl Domestic Services	Replace Services	CYYF501_027_001	314,315	1,558
Repl Customer Meters	Replace Meters	CYYG501_027_001	137,572	119,558
TOTAL			\$ 2,484,058	\$ 260,114
NET TOTAL			\$ 2,223,944	

- Schedule No. 2A -
NET ACCUMULATED DEPRECIATION
SUEZ Water Delaware

Utility Plant in Service 11/1/18 to 04/30/19

<u>Account Name</u>	<u>NARUC Account</u>	<u>Amount</u>	<u>Depreciation Rate</u>	<u>Depreciation Amount</u>
Struct. & Improvements	33100	\$ -	1.23%	\$ -
Water Treatment Equipment	33200	\$ -	2.53%	\$ -
Mains	34300	\$ 1,482,165	1.00%	\$ 14,822
Services DOM	34500	\$ 668,204	1.96%	\$ 13,097
Meters	34600	\$ 18,015	5.99%	\$ 1,079
Hydrants	34800	\$ 55,560	2.25%	\$ 1,250
Communications	39700	\$ -	7.34%	\$ -
TOTAL		\$ 2,223,944		\$ 30,248
Semi-Annual Depreciation Expense				\$ 15,124

Accumulated Depreciation Reserve Change	
Semi-Annual Depreciation Expense	\$ 15,124
Retirements and Cost of Removal	\$ (233,777)
TOTAL	\$ (218,653)

Schedule 3

Revised Tariff Pages

TABLE OF CONTENTS

<u>Description</u>	<u>Sheet No.</u>	<u>Revision</u>
Index	1	Twenty Eighth Revised
<u>Rules and Regulations</u>		
Definitions	2	Original
Request for Service	2	Original
Service Connection	3	Original
Cross Connections	4	Third Revised
Meters	4	Third Revised
Meter Setting	4	Third Revised
Meter Testing	5	Original
Bills	5	Original
Discontinuance of Service	6	Second Revised
Customers' Deposits	7	Second Revised
Miscellaneous	8	Second Revised
Fire Protection	9	Third Revised
Water Main Extensions	10 – 10E	First Revised
Installation of Facilities	10F-10H	Third Revised
Appendix A Charges	10I	First Revised
Distribution System Improvement Charge (DSIC)	11 – 11B	Original
<u>Schedule of Rates</u>		
Schedule A – General Metered Rates	12	Twelfth Revised
Schedule A – Residential Service	12A	Twelfth Revised
Schedule A – Commercial Service	12B	Eleventh Revised
Schedule A – Industrial Service	12C	Eleventh Revised
Schedule A – Public Authority Service	12D	Eleventh Revised
Schedule A – Sales for Resale	12E	Eleventh Revised
Schedule B – Rates for Public Fire Hydrant Service	13	Ninth Revised
Schedule C – Rates for Private Fire Hydrant Service	14	Ninth Revised
Schedule D – Rates for Private Unmetered Fire Service Line	15	Ninth Revised
Schedule E – Miscellaneous Fees and Charges	16 – 16A	Original
Schedule F – Distribution System Improvement Charge (DSIC)	17	Twenty Fifth Revised

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

In addition to the net charges provided for in this Tariff, a charge of 4.90% will apply to all charges for bills rendered on or after July 1, 2019.

The above charge will be recomputed semi-annually, using the elements prescribed by Section 314 of Title 26 of the Delaware Code.